

IC 6-9-2

Chapter 2. Lake County Innkeeper's Tax

IC 6-9-2-1

Tax on lodgings; rate; returns; disposition of revenue

Sec. 1. (a) A county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000) that establishes a medical center development agency pursuant to IC 20-12-30.3 may levy each year a tax on every person engaged in the business of renting or furnishing, for periods of less than thirty (30) days, any room or rooms, lodgings, or accommodations, in any hotel, motel, inn, tourist camp, tourist cabin or any other place in which rooms, lodgings, or accommodations are regularly furnished for a consideration.

(b) Such tax shall be at a rate of five percent (5%) on the gross retail income derived therefrom and shall be in addition to the state gross retail tax imposed on such persons by law.

(c) The county fiscal body may adopt an ordinance to require that the tax be reported on forms approved by the county treasurer and that the tax shall be paid monthly to the county treasurer. If such an ordinance is adopted, the tax shall be paid to the county treasurer not more than twenty (20) days after the end of the month the tax is collected. If such an ordinance is not adopted, the tax shall be imposed, paid, and collected in exactly the same manner as the state gross retail tax is imposed, paid, and collected.

(d) All of the provisions of the state gross retail tax (IC 6-2.5) relating to rights, duties, liabilities, procedures, penalties, definitions, exemptions, and administration shall be applicable to the imposition and administration of the tax imposed by this section except to the extent such provisions are in conflict or inconsistent with the specific provisions of this chapter or the requirements of the county treasurer. Specifically and not in limitation of the foregoing sentence, the terms "person" and "gross retail income" shall have the same meaning in this section as they have in the state gross retail tax (IC 6-2.5). If the tax is paid to the department of state revenue, the returns to be filed for the payment of the tax under this section may be either a separate return or may be combined with the return filed for the payment of the state gross retail tax as the department of state revenue may, by rule, determine.

(e) If the tax is paid to the department of state revenue, the amounts received from the tax shall be paid by the end of the next succeeding month by the treasurer of state to the county treasurer upon warrants issued by the auditor of state. The county treasurer shall deposit the revenue received under this chapter as provided in section 2 of this chapter.

(Formerly: Acts 1972, P.L.58, SEC.2; Acts 1975, P.L.69, SEC.1.) As amended by Acts 1981, P.L.11, SEC.39; Acts 1982, P.L.67, SEC.1; P.L.96-1983, SEC.1; P.L.108-1987, SEC.1; P.L.12-1992, SEC.33; P.L.67-1997, SEC.2.

IC 6-9-2-2

Allocation of revenue

Sec. 2. (a) The revenue received by the county treasurer under this chapter shall be allocated to the Lake County convention and visitor bureau, Indiana University-Northwest, Purdue University-Calumet, municipal public safety departments, municipal physical and economic development divisions, and the cities and towns in the county as provided in this section. Subsections (b) through (g) do not apply to the distribution of revenue received under section 1 of this chapter from hotels, motels, inns, tourist camps, tourist cabins, and other lodgings or accommodations built or refurbished after June 30, 1993, that are located in the largest city of the county.

(b) The Lake County convention and visitor bureau shall establish a convention, tourism, and visitor promotion fund. The county treasurer shall transfer to the Lake County convention and visitor bureau for deposit in this fund thirty-five percent (35%) of the first one million two hundred thousand dollars (\$1,200,000) of revenue received under this chapter in each year. Money in this fund may be expended only to promote and encourage conventions, trade shows, special events, recreation, and visitors within the county. Money may be paid from the fund by claim in the same manner as municipalities may pay claims under IC 5-11-10-1.6.

(c) This subsection applies to the first one million two hundred thousand dollars (\$1,200,000) of revenue received under this chapter in each year. During each year, the county treasurer shall transfer to Indiana University-Northwest forty-four and thirty-three hundredths percent (44.33%) of the revenue received under this chapter for that year to be used as follows:

- (1) Seventy-five percent (75%) of the revenue received under this subsection may be used only for the university's medical education programs.
- (2) Twenty-five percent (25%) of the revenue received under this subsection may be used only for the university's allied health education programs.

The amount for each year shall be transferred in four (4) approximately equal quarterly installments.

(d) This subsection applies to the first one million two hundred thousand dollars (\$1,200,000) of revenue received under this chapter in each year. During each year, the county treasurer shall allocate among the cities and towns throughout the county nine percent (9%) of the revenue received under this chapter for that year. The amount of each city's or town's allocation is as follows:

- (1) Ten percent (10%) of the revenue covered by this subsection shall be transferred to cities having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000).
- (2) Ten percent (10%) of the revenue covered by this subsection shall be transferred to cities having a population of more than seventy-five thousand (75,000) but less than ninety thousand (90,000).
- (3) Ten percent (10%) of the revenue covered by this subsection

shall be transferred to cities having a population of more than thirty-two thousand (32,000) but less than thirty-two thousand eight hundred (32,800).

(4) Five percent (5%) of the revenue covered by this subsection shall be transferred to each town and each city not receiving a transfer under subdivisions (1) through (3).

The money transferred under this subsection may be used only for economic development projects. The county treasurer shall make the transfers on or before December 1 of each year.

(e) This subsection applies to the first one million two hundred thousand dollars (\$1,200,000) of revenue received under this chapter in each year. During each year, the county treasurer shall transfer to Purdue University-Calumet nine percent (9%) of the revenue received under this chapter for that year. The money received by Purdue University-Calumet may be used by the university only for nursing education programs.

(f) This subsection applies to the first one million two hundred thousand dollars (\$1,200,000) of revenue received under this chapter in each year. During each year, the county treasurer shall transfer two and sixty-seven hundredths percent (2.67%) of the revenue received under this chapter for that year to the following cities:

(1) Fifty percent (50%) of the revenue covered by this subsection shall be transferred to cities having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000).

(2) Fifty percent (50%) of the revenue covered by this subsection shall be transferred to cities having a population of more than seventy-five thousand (75,000) but less than ninety thousand (90,000).

Money transferred under this subsection may be used only for convention facilities located within the city. In addition, the money may be used only for facility marketing, sales, and public relations programs. Money transferred under this subsection may not be used for salaries, facility operating costs, or capital expenditures related to the convention facilities. The county treasurer shall make the transfers on or before December 1 of each year.

(g) This subsection applies to the revenue received under this chapter in each year that exceeds one million two hundred thousand dollars (\$1,200,000). During each year, the county treasurer shall distribute money in the fund as follows:

(1) Eighty-five percent (85%) of the revenue covered by this subsection shall be deposited in the convention, tourism, and visitor promotion fund. The money deposited in the fund under this subdivision may be used only for the purposes for which other money in the fund may be used.

(2) Five percent (5%) of the revenue covered by this subsection shall be transferred to Purdue University-Calumet. The money received by Purdue University-Calumet under this subdivision may be used by the university only for nursing education programs.

(3) Five percent (5%) of the revenue covered by this subsection

shall be transferred to Indiana University-Northwest. The money received by Indiana University-Northwest under this subdivision may be used only for the university's medical education programs.

(4) Five percent (5%) of the revenue covered by this subsection shall be transferred to Indiana University-Northwest. The money received by Indiana University-Northwest under this subdivision may be used only for the university's allied health education programs.

(h) The county treasurer may estimate the amount that will be received under this chapter for the year to determine the amount to be transferred under this section.

(i) This subsection applies only to the distribution of revenue received under section 1 of this chapter from hotels, motels, inns, tourist camps, tourist cabins, and other lodgings or accommodations built or refurbished after June 30, 1993, that are located in the largest city of the county. During each year, the county treasurer shall transfer:

(1) seventy-five percent (75%) of the revenues under this subsection to the department of public safety; and

(2) twenty-five percent (25%) of the revenues under this subsection to the division of physical and economic development; of the largest city of the county.

(j) The Lake County convention and visitor bureau shall assist the county treasurer, as needed, with the calculation of the amounts that must be deposited and transferred under this section.

As added by Acts 1982, P.L.67, SEC.2. Amended by P.L.96-1983, SEC.2; P.L.108-1987, SEC.2; P.L.27-1992, SEC.7; P.L.277-1993(ss), SEC.130; P.L.102-1995, SEC.1; P.L.68-1996, SEC.1; P.L.170-2002, SEC.30.

IC 6-9-2-3a

Convention and visitor bureau; creation; membership; terms; organization

Note: This version of section effective until 7-1-2003. See also following version of this section, effective 7-1-2003.

Sec. 3. (a) For purposes of this section, the size of a political subdivision is based on the population determined in the last federal decennial census.

(b) A convention and visitor bureau having thirteen (13) members is created to promote the development and growth of the convention, tourism, and visitor industry in the county.

(c) The executives (as defined by IC 36-1-2-5) of the six (6) largest municipalities (as defined by IC 36-1-2-11) in the county shall each appoint one (1) member to the bureau. The legislative body (as defined in IC 36-1-2-9) of the two (2) largest municipalities in the county shall each appoint one (1) member to the bureau.

(d) The county council shall appoint two (2) members to the bureau. One (1) of the appointees must be a resident of the largest township in the county, and one (1) of the appointees must be a resident of the second largest township in the county.

(e) The county commissioners shall appoint two (2) members to the bureau. Each appointee must be a resident of the fifth, sixth, seventh,

eighth, ninth, tenth, or eleventh largest township in the county. These appointees must be residents of different townships.

(f) The lieutenant governor shall appoint one (1) member to the bureau.

(g) One (1) of the appointees under subsection (d) and one (1) of the appointees under subsection (e) must be members of the political party that received the highest number of votes in the county in the last preceding election for the office of secretary of state. One (1) of the appointees under subsection (d) and one (1) of the appointees under subsection (e) must be members of the political party that received the second highest number of votes in the county in the election for that office. No appointee under this section may hold an elected or appointed political office while he serves on the bureau.

(h) In making appointments under this section, the appointing authority shall give sole consideration to individuals who shall be knowledgeable and interested in at least one (1) of the following businesses in the county:

- (1) Hotel.
- (2) Motel.
- (3) Restaurant.
- (4) Travel.
- (5) Transportation.
- (6) Convention.
- (7) Trade show.

(i) All terms of office of bureau members begin on July 1. Initial appointments of the county council are for one (1) year terms, initial appointments of the county commissioners are for two (2) year terms, initial appointments of the municipal executives and legislative bodies are for three (3) year terms, with all subsequent appointments for three (3) year terms. All appointments of the lieutenant governor are for three (3) year terms. A member whose term expires may be reappointed to serve another term. If a vacancy occurs, the appointing authority shall appoint a qualified person to serve for the remainder of the term. If an appointment is not made before July 16 or a vacancy is not filled within thirty (30) days, the member appointed by the lieutenant governor under subsection (f) shall appoint a qualified person.

(j) A member of the bureau may be removed for cause by his appointing authority.

(k) Members of the bureau may not receive a salary. However, bureau members are entitled to reimbursement for necessary expenses incurred in the performance of their respective duties.

(l) Each bureau member, before entering his duties, shall take an oath of office in the usual form, to be endorsed upon his certificate of appointment and promptly filed with the clerk of the circuit court of the county.

(m) The bureau shall meet after July 1 each year for the purpose of organization. The bureau shall elect a chairman from its members. The bureau shall also elect from its members a vice chairman, a secretary, and a treasurer. The members serving in those offices shall perform the duties pertaining to the offices. The first officers chosen shall serve until their successors are elected and qualified. A majority of the

bureau constitutes a quorum, and the concurrence of a majority of those present is necessary to authorize any action.

(n) If the county and one (1) or more adjoining counties desire to establish a joint bureau, the counties shall enter into an agreement under IC 36-1-7. In the absence of such an agreement, the bureau may not expend funds to promote activities in any other county.

As added by Acts 1982, P.L.67, SEC.3. Amended by P.L.96-1983, SEC.3; P.L.68-1996, SEC.2.

IC 6-9-2-3b

Convention and visitor bureau; creation; membership; terms; organization

Note: This version of section effective 7-1-2003. See also preceding version of this section, effective until 7-1-2003.

Sec. 3. (a) For purposes of this section, the size of a political subdivision is based on the population determined in the last federal decennial census.

(b) A convention and visitor bureau having fifteen (15) members is created to promote the development and growth of the convention, tourism, and visitor industry in the county.

(c) The executives (as defined by IC 36-1-2-5) of the eight (8) largest municipalities (as defined by IC 36-1-2-11) in the county shall each appoint one (1) member to the bureau. The legislative body (as defined in IC 36-1-2-9) of the two (2) largest municipalities in the county shall each appoint one (1) member to the bureau.

(d) The county council shall appoint two (2) members to the bureau. One (1) of the appointees must be a resident of the largest township in the county, and one (1) of the appointees must be a resident of the second largest township in the county.

(e) The county commissioners shall appoint two (2) members to the bureau. Each appointee must be a resident of the fifth, sixth, seventh, eighth, ninth, tenth, or eleventh largest township in the county. These appointees must be residents of different townships.

(f) The lieutenant governor shall appoint one (1) member to the bureau.

(g) One (1) of the appointees under subsection (d) and one (1) of the appointees under subsection (e) must be members of the political party that received the highest number of votes in the county in the last preceding election for the office of secretary of state. One (1) of the appointees under subsection (d) and one (1) of the appointees under subsection (e) must be members of the political party that received the second highest number of votes in the county in the election for that office. No appointee under this section may hold an elected or appointed political office while he serves on the bureau.

(h) In making appointments under this section, the appointing authority shall give sole consideration to individuals who shall be knowledgeable and interested in at least one (1) of the following businesses in the county:

- (1) Hotel.
- (2) Motel.
- (3) Restaurant.

- (4) Travel.
- (5) Transportation.
- (6) Convention.
- (7) Trade show.

(i) All terms of office of bureau members begin on July 1. Initial appointments of the county council are for one (1) year terms, initial appointments of the county commissioners are for two (2) year terms, initial appointments of the municipal executives and legislative bodies are for three (3) year terms, with all subsequent appointments for three (3) year terms. All appointments of the lieutenant governor are for three (3) year terms. A member whose term expires may be reappointed to serve another term. If a vacancy occurs, the appointing authority shall appoint a qualified person to serve for the remainder of the term. If an appointment is not made before July 16 or a vacancy is not filled within thirty (30) days, the member appointed by the lieutenant governor under subsection (f) shall appoint a qualified person.

(j) A member of the bureau may be removed for cause by his appointing authority.

(k) Members of the bureau may not receive a salary. However, bureau members are entitled to reimbursement for necessary expenses incurred in the performance of their respective duties.

(l) Each bureau member, before entering his duties, shall take an oath of office in the usual form, to be endorsed upon his certificate of appointment and promptly filed with the clerk of the circuit court of the county.

(m) The bureau shall meet after July 1 each year for the purpose of organization. The bureau shall elect a chairman from its members. The bureau shall also elect from its members a vice chairman, a secretary, and a treasurer. The members serving in those offices shall perform the duties pertaining to the offices. The first officers chosen shall serve until their successors are elected and qualified. A majority of the bureau constitutes a quorum, and the concurrence of a majority of those present is necessary to authorize any action.

(n) If the county and one (1) or more adjoining counties desire to establish a joint bureau, the counties shall enter into an agreement under IC 36-1-7. In the absence of such an agreement, the bureau may not expend funds to promote activities in any other county.

As added by Acts 1982, P.L.67, SEC.3. Amended by P.L.96-1983, SEC.3; P.L.68-1996, SEC.2; P.L.176-2002, SEC.4.

IC 6-9-2-4

Powers of bureau

Sec. 4. (a) The bureau may:

- (1) accept and use gifts, grants, and contributions from any public or private source, under terms and conditions that the bureau considers necessary and desirable;
- (2) sue and be sued;
- (3) enter into contracts and agreements;
- (4) make rules necessary for the conduct of its business and the accomplishment of its purposes;
- (5) receive and approve, alter, or reject requests and proposals for

funding by corporations qualified under subdivision (6);
(6) after its approval of a proposal, transfer money from the fund established under section 2 of this chapter to any Indiana not-for-profit corporation to promote and encourage conventions, trade shows, visitors, or special events in the county;
(7) require financial or other reports from any corporation that receives funds under this chapter;
(8) enter into leases under IC 36-1-10 for the construction, acquisition, and equipping of a visitor center; and
(9) exercise the power of eminent domain to acquire property to promote and encourage conventions, trade shows, special events, recreation, and visitors within the county.

(b) All expenses of the bureau shall be paid from the fund established under section 2 of this chapter. The bureau shall annually prepare a budget, taking into consideration the recommendations made by a corporation qualified under subsection (a)(6), and submit it to the county council for its review and approval. After its approval of the budget, the county council shall make an appropriation from the fund in accordance with that budget.

(c) All money coming into possession of the bureau shall be deposited, held, secured, invested, and paid in accordance with statutes relating to the handling of public funds. The handling and expenditure of money coming into possession of the bureau is subject to audit and supervision by the state board of accounts.

As added by Acts 1982, P.L.67, SEC.4. Amended by P.L.46-1998, SEC.1.

IC 6-9-2-4.5

Visitor center funding; allocation from convention, tourism, and visitor promotion fund

Sec. 4.5. The bureau may enter into an agreement under which amounts deposited in, or to be deposited in, the convention, tourism, and visitor promotion fund under section 2 of this chapter are pledged to payment of obligations, including leases entered into under IC 36-1-10, issued to finance the construction, acquisition, and equipping of a visitor center to promote and encourage conventions, trade shows, special events, recreation, and visitors within the county.

As added by P.L.46-1998, SEC.2.

IC 6-9-2-4.7

Issuance of bonds; negotiation and sale; leases

Sec. 4.7. (a) The bureau may issue bonds, enter into leases, or incur other obligations to:

- (1) pay the costs incurred in the financing, construction, acquisition, and equipping of a visitor center to promote and encourage conventions, trade shows, special events, recreation, and visitors within the county;
- (2) reimburse itself or any nonprofit corporation for any money advanced to pay those costs; or
- (3) refund bonds issued or other obligations incurred under this chapter.

- (b) Bonds issued or obligations incurred under this section:
 - (1) are payable solely from the money provided in this chapter;
 - (2) may, in the discretion of the bureau, be sold at a negotiated sale or under IC 5-1-11 and IC 5-3-1; and
 - (3) must be authorized by a resolution of the bureau.
 - (c) Leases entered into under this section:
 - (1) may be for a term not to exceed fifty (50) years;
 - (2) may provide for payments from revenues under this chapter, any other revenues available to the bureau, or any combination of these sources;
 - (3) may provide that payments by the bureau to the lessor are required only to the extent and only for the time that the lessor is able to provide the leased facilities in accordance with the lease;
 - (4) must be based upon the value of the facilities leased; and
 - (5) may not create a debt of the county for purposes of the Constitution of the State of Indiana.
 - (d) A lease may be entered into by the bureau only after a public hearing:
 - (1) for which notice has been given in accordance with IC 5-3-1; and
 - (2) at which all interested parties are provided the opportunity to be heard.
 - (e) After the public hearing, the bureau may approve the execution of the lease only if the bureau finds that the services to be provided throughout the life of the lease will serve the public purposes for which the bureau was created and that the execution of the lease is in the best interests of the residents of the county.
 - (f) Upon execution of a lease under this section, the bureau shall publish notice of the execution of the lease in accordance with IC 5-3-1.
 - (g) An action to contest the validity of bonds issued or leases entered into under this section must be brought within thirty (30) days after the adoption of a bond resolution or notice of the execution and approval of the lease, as the case may be.
- As added by P.L.46-1998, SEC.3.*

IC 6-9-2-4.9

State covenant on bond payments

Sec. 4.9. With respect to:

- (1) bonds, leases, or other obligations to which the bureau has pledged revenues under this chapter; and
 - (2) bonds issued by a lessor that are payable from lease rentals;
- the general assembly covenants with the bureau and the purchasers or owners of the bonds or other obligations described in this section that this chapter will not be repealed or amended in any manner that will adversely affect the collection of the tax imposed under this chapter or the money deposited in the convention, tourism, and visitor promotion fund, as long as the principal of or interest on any bonds, or the lease rentals due under any lease, are unpaid.

As added by P.L.46-1998, SEC.4.

IC 6-9-2-5

Violations

Sec. 5. (a) A member of the convention and visitor bureau created under section 3 of this chapter or the economic development authority created under section 7 of this chapter who knowingly:

(1) approves the transfer of money to any person or corporation not qualified under law for that transfer; or

(2) approves a transfer for a purpose not permitted under law; commits a Class D felony.

(b) A person who receives a transfer of money under this chapter and knowingly uses that money for any purpose not permitted under this chapter commits a Class D felony.

As added by Acts 1982, P.L.67, SEC.5. Amended by P.L.96-1983, SEC.4.

IC 6-9-2-5.5

Public purpose of visitor center

Sec. 5.5. The financing of the construction, acquisition, and equipping of a visitor center to promote and encourage conventions, trade shows, special events, recreation, and visitors within the county serves a public purpose and is of benefit to the general welfare of the county by encouraging investment, job creation and retention, and economic growth and diversity.

As added by P.L.46-1998, SEC.5.

IC 6-9-2-6

Repealed

(Repealed by P.L.108-1987, SEC.18.)

IC 6-9-2-7

Repealed

(Repealed by P.L.27-1992, SEC.31.)

IC 6-9-2-8

Repealed

(Repealed by P.L.27-1992, SEC.31.)

IC 6-9-2-9

Annual report regarding disposition of money collected; remedies for failure to provide legislative body with sufficient information; resolution

Sec. 9. (a) The legislative body of a county that imposes a tax under section 1 of this chapter shall annually prepare a report concerning the disbursement and use of the money collected under this chapter. The report shall be prepared before December 15 each year and shall be made available to the public.

(b) If in any year an entity receiving money under this chapter fails to provide the county legislative body with sufficient information, as reasonably requested by the county legislative body:

(1) for the county legislative body to comply with this section;

and

(2) before the date specified by the county legislative body; the county legislative body may direct the county treasurer by resolution to stop deposits and transfers under this chapter to the entity. When an entity provides the information that is the subject of the resolution, the county legislative body shall as soon as practicable direct the county treasurer, by resolution, to resume making deposits and transfers to the entity, including any deposits and transfers that would otherwise have been made to the entity during the time that deposits and transfers were stopped under this subsection. A copy of a resolution adopted under this subsection must be distributed to the county treasurer and the entity that is the subject of the resolution within ten (10) business days after the resolution is adopted. The county treasurer shall comply with a resolution adopted under this subsection.

As added by P.L.27-1992, SEC.8. Amended by P.L.102-1995, SEC.2.